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Startling disclosure

CIA does spying in U.S. too

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By Bruce Phillips Southam News Sorvices

WASHINGTON - The U.S. Central Intelligence Agency under fire for accusing an Estonian-born Canadian of

being a Soviet spy, now claims it was operating under a directive from the top - level National Security Council.

The council, whose head is the president, includes all the high-ranking members of the administration, such as the secretaries of state and defence, the chairman of the joint chiefs of staff and top presidential advisers.

The Canadian is Eerik Heine,

a 46-year-old Torontontian who was active among Estonian immigrants in Canada and the United States as an anti-Communist lecturer. A CIA agent named Juri Raus, a member of the same groups, accused him of being an agent of the Soviet KGB secret police.

\$110,000 sought

Heine is suing Raus for \$110,000 in a U.S. federal district court in Baltimore, claiming he was slandered by the accusation. The case, which has been going on for nearly two years, resumes next August.

The affair has stirred up considerable controversy in the United States on two grounds: First, the CIA is not supposed to conduct intelligence operations inside the United States, a duty left to the Federal Bureau of Investigation, second, Raus is basing his defence on the argument that he cannot give evidence to support his accusation against Heine without jeopardizing classified security secrets.

district court a copy of a se- political condition of their peocret directive from the Na- pie." tional Security Council, giving the CIA authority to involve itself in the affairs of emigrant

groups in the United States. For judge only

The directive is to be seen only by the presiding judge, Roszel C. Thomsen, and the lawyers for Raus and Heine, but its general tenor is disclosed by an accompanying memorandum, filed by Raus's lawyers.

It says: "It is believed that the National Security Council directive no. 2 ... attached to the affidavit of Lawrence R. Houston, general counsel of the CIA, satisfactorily answers the plaintiff's contention as to the insufficiency of agency's authority."

In plain words, the council's directive gave the CIA permission to operate inside the country as well as outside.

Raus's lawyers further argued in their memorandum that emigrant groups such as the one to which Heine and Raus belonged were obvious sources of foreign intelli-gence, because "the Soviet penchant for maintaining a closed society renders it necessary to develop unconventional sources of information, in order to learn of the current geography and topography of Soviet-dominated countries and the social, economic and

The memorandum being is the first indication in the U.S. that not only does the CIA operate inside the country, but that it has acquired specific authority from the top security agency in the government to carry on such activities.

A number of leading newspapers in the United States have already cast a disapproving eye on the CIA's role

in the Heine case.

In the first instance, objections have been raised to the practice of publicly accusing a man of being a Soviet agent and then taking refuge behind crecy provisions to avoid backing up the accusation.

In the second, there are misgivings about the CIA operating inside the country, with the thought that all of its apparatus of spying and intrigue will be trained on American citizens.

The CIA has now moved to head off crisenius in approved For Release: CIA-RDP75-00001R000400180047-4 count. It has filed with the